

Good morning. My name is Marie Lenane. I am the Policy Pricing Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 419.00: Rates for Supported Employment Services, which will amend rates purchased by the Department of Developmental Services (DDS), the Massachusetts Rehabilitation Commission (MRC), and by the Massachusetts Commission for the Blind (MCB).

Massachusetts General Laws, Chapter 118E, Section 13D requires the Secretary of the Executive Office of Health and Human Services to establish rates of payment by regulation for social service programs. The effective date for the proposed amendments to the regulation is January 1, 2022.

The service rates established at 101 CMR 419.00 are being updated to include an increase by a cost adjustment factor (CAF) of 0.74%. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Spring 2021 Forecast, optimistic scenario data. The CAF reflects the period between the rates’ base period (calendar year 2021 Q4) and the prospective period of January 2022 through June 2023. The programmatic expenses have been benchmarked to the FY19 Uniform Financial Statements and Independent Auditor’s Report (UFR). Additional technology costs have been incorporated into the model budgets based on the purchaser’s recommendation.

The tax and fringe rate has been benchmarked to 22.40% and the administrative allocation has been benchmarked to 12%.

The total projected annualized cost to state government from the increase in rates effective January 1, 2022, is approximately \$6.2 million, which represents an increase of 12.60% over projected FY22 spending of approximately \$49.4 million.

This concludes my testimony. Thank you.